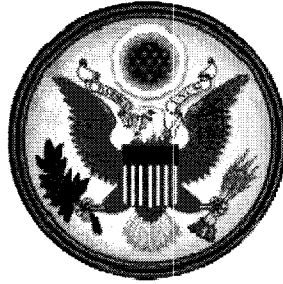


Federal Funding Accountability and Transparency Act of 2006

From Wikipedia, the free encyclopedia



Federal Funding Accountability and Transparency Act of 2006

The **Federal Funding Accountability and Transparency Act of 2006** (S. 2590)^[2] is an Act of Congress that requires the full disclosure to the public of all entities or organizations receiving federal funds beginning in fiscal year (FY) 2007. The website USAspending.gov opened in December 2007 as a result of the act, and is maintained by the Office of Management and Budget. The Congressional Budget Office estimates S. 2590 will cost \$15 million over its authorized time period of 2007–2011.^[3]

The bill was introduced by Senator Tom Coburn, for himself and Senators Barack Obama, Tom Carper and John McCain on April 6, 2006.^[1] After two "secret holds" placed by Senators Ted Stevens, a Republican, and Robert Byrd, a Democrat were revealed and removed^{[4][5]}, it was passed unanimously in the Senate on September 7, 2006 and by the House on September 13, 2006. The bill was signed into law by President George W. Bush on September 26, 2006.^[6]

On June 3, 2008, Senator Obama, along with Senators Carper, Coburn and McCain, introduced follow-up legislation: *Strengthening Transparency and Accountability in Federal Spending Act of 2008*.^[7]

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[edit] Description

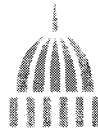
The bill states in part:^[8]

Not later than January 1, 2008, the Office of Management and Budget shall, in accordance with this section, section 204 of the E-Government Act of 2002 (Public Law 107-347; 44 U.S.C. 3501 note), and the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.), ensure the existence and operation of a single searchable website, accessible by the public at no cost to access, that includes for each Federal award--

- (A) the name of the entity receiving the award;*
- (B) the amount of the award;*
- (C) information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source, and an award title descriptive of the purpose of each funding action;*
- (D) the location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country;*
- (E) a unique identifier of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity; and*
- (F) any other relevant information specified by the Office of Management and Budget.*

[edit] Sponsors in the Senate

In addition to Coburn, Obama, and McCain, there were 43 other Senators who co-sponsored this bill: ^[8] Lamar Alexander, George Allen, Max Baucus, Evan Bayh, Jeff Bingaman, Barbara Boxer, Sam Brownback, Richard Burr, Maria Cantwell, Saxby Chambliss, Hillary Clinton, Norm Coleman, Susan Collins, John Cornyn, Larry Craig, Jim DeMint, Mike DeWine, Chris Dodd, Elizabeth Dole, Dick Durbin, Mike Enzi, Russ Feingold, Bill Frist, Chuck Grassley, Chuck Hagel, Johnny Isakson, John Kerry, Jon Kyl, Mary Landrieu, Joe Lieberman, Mitch McConnell, Bob Menendez, Bill Nelson, Harry Reid, Ken Salazar, Rick Santorum, Jeff Sessions, Olympia



NATIONAL CONFERENCE of STATE LEGISLATURES

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Joe Hackney
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North Carolina House of Representatives
President, NCSL

Gary VanLandingham
Director, OPPAGA
Florida Legislature
Staff Chair, NCSL

William Pound
Executive Director

To: Honorable Joe Balyeat
State Representative, Montana

From: Pam Greenberg, Sr. Fellow
Legislative Information Services, NCSL

Date: January 22, 2009

Subject: Taxpayer Right to Know Act

You had asked for an opinion regarding Senate Bill No. 241, "An Act Creating the Taxpayer Right to Know Act," and whether its language was based on model legislation from Americans for Tax Reform (ATR), founded by Grover Norquist.

As background, it appears that the first taxpayer transparency sites were created through governors' executive orders, including one by Indiana Governor Mitchell E. Daniels, Jr. in early 2005.

In 2006, Senators Tom Coburn (R-OK) and Barack Obama (D-IL) co-sponsored, and President Bush signed into law, the Federal Funding Accountability and Transparency Act (S.2590).

In late 2007, the American Legislative Exchange Council, developed model state legislation called "An Act Relating to Creating a Searchable Budget Database for State Spending."

ATR appears to have become active in promoting and tracking taxpayer transparency acts beginning in 2007. The ATR website notes that consumer advocate Ralph Nader is a supporter of taxpayer transparency legislation, and Nader and ATR's Norquist have signed a letter urging governors to emulate the Federal Transparency Legislation (see www.ATR.org/content/pdf/2007/july/070507lt-nader_norquist_govs.pdf).

Similarly, a group of Democratic and Republican state lawmakers have signed a letter to their peers in other states urging support of transparency legislation (see www.ATR.org/content/pdf/2008/march/012808lt-sponsors-trnsp.pdf).

Your Senate Bill No. 241 is similar, but not identical, to the ALEC model and the federal Act. However, your proposed legislation includes additional provisions, for example:

- Section 3(7) related to an open industry standard exchange format;
- Section 3(7)(d)(i), regarding salary information;
- Section 5 relating to an advisory council; and
- Section 4(2), specific to Montana's constitutional right to privacy.

Some other state transparency or right to know acts have included provisions relating to salary information, privacy provisions, and advisory councils or boards.

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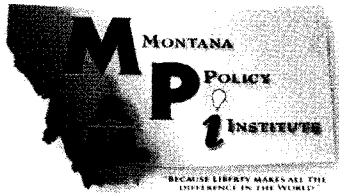
January 22, 2009

p. 2

NCSL has sponsored two sessions about taxpayer transparency websites at our conferences—most recently in April 2008 at NCSL's Spring Forum. Speakers for this session, *Open Government: Transparency Online*, included Senator Wayne Niederhauser, Utah; Jonathan Ball, Director, Office of the Legislative Fiscal Analyst, Utah; Cathilea Robinett, Executive Director, Center for Digital Government, California; and Sharon Crouch Steidel, Director of Information Systems, House of Delegates, Virginia.

As you know, NCSL generally does not promulgate model legislation nor have we taken a position on state taxpayer transparency legislation.

I hope this information is helpful. Please let me know if you have questions or if you need additional information.



The Montana Policy Institute

Policy Note 02-08

Creating a Free, Searchable Website of State Spending

Bottom Line Up Front:

Lawmakers have the opportunity during the 2009 Legislative Session to address voters' concerns about government transparency, and whether or not those we entrust with our tax dollars will respect the people's constitutional right to know how their money is being spent. Proposals are in the works to create a budget transparency website that would place all state and local revenue and expenditure information online in a fully searchable format.

In 2006, the federal government enacted a law that provides a roadmap for states on how to allow citizens to find out about government spending. The law was co-sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL) and was passed unanimously by Congress. The new law creates a free searchable website that allows citizens to track the recipients of all federal funds.

Many states are moving forward with this type of reform, and the majority of them are accomplishing it with little or no fiscal impact. Similar bipartisan proposals are long overdue here in Montana.

If the state had a searchable budget website, rather than having to dig through hundreds or even thousands of pages of budget documents, the public could find details on state spending linked to a plain-English explanation of what it meant, broken down further by how the money is spent all the way to the check being written. Performance information for the spending could also be included. That way, any citizen with internet access could go to a single source for the public spending information he or she seeks.

The Need:

At some point most citizens wonder, "Just how, when and where does government spend our tax dollars? What is the funding source? What do our elected representatives want to accomplish when they spend public money, and what results are actually achieved?"

Considering Montana lawmakers will spend billions of our dollars over the next budget cycle, these are basic questions to which any taxpayer should be able to get answers quickly and conveniently. This is especially true since modern technology makes accessing large amounts of information easier than ever. Unfortunately, the opportunity to learn these answers is currently limited and difficult to achieve. The information is *available*, but it is not *accessible* to the regular citizen.

The current lack of spending transparency is not the result of some deep conspiracy to hide budget information from the public. Instead it is simply a failure of government to keep up with the times by providing taxpayers with a free, easy-to-use website where people can find these details. Montana's state government has come a long way in making information about state programs and regulations accessible to the public, but there is still no single source that puts budget and expenditure information into plain English so all of us can see where our money is going, and how it gets there.

A solution to this lack of budget transparency problem is available. If the federal government can make this happen, then certainly Montana can, too.

Creating a Searchable Budget Website:

President Bush and others recognized the federal government's need to be more accountable to Americans for the nearly \$1 trillion Congress appropriates each year in discretionary spending. In 2006 he signed the bipartisan Federal Funding Accountability and Transparency Act. The Act was co-sponsored by senators Tom Coburn (R-OK) and Barack Obama (D-IL) and passed Congress unanimously.

The new law creates a free, easy-to-use, searchable, Google-type web site that allows citizens to track the recipients of all federal funds. The privacy of individuals is protected. For example, one cannot look up how much Social Security someone receives monthly.

According to the President, this budget database will enable citizens "to call up the name and location of entities receiving federal funds and will provide them with the purpose of the funding, the amount of the money provided, the agency providing the funding and other relevant information."

Transparency Reforms in Other States:

Recently the American Legislative Exchange Council (ALEC), a nonpartisan association of state legislators, adopted model legislation to implement state versions of the Federal Funding Accountability and Transparency Act. ALEC also adopted a model bill to require that the public have at least 72 hours to review tax and spending bills before they are voted on.

Many states are already moving forward with this type of reform. The following states have mandated some form of searchable budget websites for citizens, and more are in work:

- Georgia
- Hawaii
- Indiana
- Kansas
- Louisiana
- Maryland
- Mississippi
- Missouri
- Nevada
- Oklahoma
- South Carolina
- Texas
- Utah
- Virginia
- Washington

Similar proposals have been introduced as bills in the legislatures of other states. In addition, individual Governors have instituted effective transparency measures on their own by Executive Order. Only those who fear openness have stood in opposition.

Another companion feature in some states that have enacted transparency measures provides for a budget “time out” before votes could occur on appropriations bills. This guarantees that legislators and citizens have an opportunity to digest and comment on budget bills prior to their being voted upon, and prevents the last minute passage of this important legislation without the scrutiny that it deserves.

Current State of Public Budget Information:

So what budget tools are currently available for state taxpayers?

If you have the time and patience to read through hundreds of pages of budget bills and dig through numerous state websites and publications, you might actually find the spending and agency performance information you seek. But even if you think you have found the right page in the right report, reading and understanding what it says is an entirely different matter. Again, the data is theoretically *available* and Montana’s online services have advanced dramatically. But because of the way information is organized and stored it is not *accessible* to someone without government or accounting experience who just wants to see how certain monies are spent and where they came from.

If the state had a searchable budget website, rather than having to dig through thousands of pages of budget documents, each item could be linked to a plain-English explanation of what it means and be further broken down by how the money is spent all the way to the program level. Performance information for the spending could also be included. That way, any citizen with internet access could go to a single source for public spending information at any level of detail.

Budget Transparency Reforms of Note:

Such websites are not merely theoretical. The Texas and Missouri sites shown below illustrate some of what’s been done. In Washington State, one agency, the Department of General Administration, has created a searchable website showing its public contracts that allows users to search for state contracts by keyword, contract number, vendor and expired contracts. Here is what it looks like:

GA | General Administration About GA | Jobs
STATE OF WASHINGTON

Home | **Real Estate & Contracts** | Doing business with the state | Construction & Public Works | Facility & Office Services | Travel, Cost & Parking | What the Capital | Surplus

Topic Index | Search

Advanced contract search

1) Search Using a Keyword
(For example, you might enter "furniture" to find any contracts relating to furniture)

Keyword: Search

2) Enter the Contract Number:
Note: You must enter all five characters of the contract number, e.g. 01002 instead of 1002

Find Contract

3) Display All Contracts

Sort Contracts by: ☒ Title ☐ Contract Number ☐ Vendor Name

Display Contracts

4) Recently Expired Contracts

These are contracts that have expired within the last 90 days.

Display Contracts

5) Contracts with Recycled Content
Contracts containing products or services that have recycled content or recycle products as a result of the contract.

Display Contracts

6) Select using Organizational Eligibility and/or MWBE Participation

Eligible Contract Users:

☒ Show all contracts

☐ Washington State Political Subdivision Co-op Members

☐ Washington State Non-profit Co-op Members

☐ Oregon Government Co-op Members

Minority (MBE) and Women-owned (WBE) Business Selection Options:

☒ Display All Types ☐ MBE Only ☐ WBE Only ☐ MBE/WBE Only

Sort Contracts by:

☒ Title ☐ Contract Number ☐ Vendor Name

http://www.ga.wa.gov/for/bidders/contracts/MBE/11-24/2007/21111900

The following are additional examples of the searchable budget websites and required spending information for the federal government, Texas and Missouri.

Federal Funding Accountability and Transparency Act Cost: \$15 million (2007-2011)

"The Federal Funding Accountability and Transparency Act (FFATA) of 2006 asks the White House Office of Management and Budget (OMB) to lead the development, by January 2008, of a single searchable website, accessible by the public for free that includes for each Federal award:

- the name of the entity receiving the award;
- the amount of the award;
- information on the award including transaction type, funding agency, etc;
- the location of the entity receiving the award;
- a unique identifier of the entity receiving the award.

What is the purpose of the new legislation? To provide the public with information about how their tax dollars are spent. Citizens have a right and need to understand where tax dollars are spent. Collecting data about the various types of contracts, grants and loans in our government will provide a broader picture of and much needed transparency to the Federal spending processes. The ability to look at contracts, grants, loans, and other types of spending across many agencies, in greater detail, is a key ingredient to building public trust in government and credibility in the professionals who use these agreements.”

Texas Searchable State Spending Database

Cost: “No fiscal implication to the state is anticipated.”

Texas State Expenditure Information by Category and Object Code Fiscal Year: 2007

Page 1 of 1

Expenditure Category	Expenditure Amount
Capital Outlay	\$394,351,494.11
Claims and Judgments	\$84,595,534.61
Communications and Utilities	\$605,387,630.08
Cost of Goods Sold	\$756,494,129.05
Employee Benefits	\$5,755,767,008.44
Highway Construction	\$5,661,407,145.05
Interfund Transfers/Other	\$13,860,078,717.02
Intergovernmental Payments	\$21,583,358,278.67
Investments	\$2,955,163,063.40
Lottery Winnings Paid	\$391,167,831.12
Other Expenditures	\$2,345,754,798.03
Payment of Interest-Debt Service	\$917,544,378.63
Payment on Principal-Debt Service	\$5,753,955,521.60
Printing and Reproduction	\$61,773,204.41
Professional Service and Fees	\$1,960,613,659.07
Public Assistance Payments	\$26,137,770,454.40
Rentals and Leases	\$231,115,824.78
Repairs and Maintenance	\$572,363,877.97
Salaries and Wages	\$9,357,362,216.47
Supplies and Materials	\$822,547,166.77
Travel	\$136,560,442.02
Total	\$100,345,132,379.90

“By October 1, 2007, the comptroller of public accounts (comptroller) is required to establish and post on the Internet a database of state expenditures, including contracts and grants, that is electronically searchable by the public. The database is to include the amount, date, payor, and payee of expenditures; and a listing of state expenditures by object of expense with links to the warrant or check register level and, to the extent maintained by state agency accounting systems in a reportable format, class and item levels. The comptroller, to the extent possible, is to present information in the database established under this section in a manner that is searchable and intuitive to users. The comptroller is to enhance and organize the presentation of the information through the use of graphical representations, such as pie charts, as the comptroller considers appropriate. The database is required at the minimum to allow users to search and aggregate state funding by any element of the information; ascertain through a single search the total amount of state funding awarded to a person by a state agency; and download information yielded by a search of the database.”

Missouri Accountability Portal
Cost: Within existing resources



Payments by Agency

Agency Payments for Fiscal Year 2007 (as of December 03, 2007)

Branch	Agency Name	Payments Total
EXECUTIVE DEPARTMENT	AGRICULTURE	\$31,813,546.32
EXECUTIVE DEPARTMENT	CONSERVATION	\$68,648,122.91
EXECUTIVE DEPARTMENT	CORRECTIONS	\$279,877,976.24
EXECUTIVE DEPARTMENT	ECONOMIC DEVELOPMENT	\$174,094,167.56
EXECUTIVE DEPARTMENT	ELEMENTARY AND SECONDARY EDUCATION	\$4,893,252,163.34
EXECUTIVE DEPARTMENT	HEALTH AND SENIOR SERVICES	\$698,796,367.00
EXECUTIVE DEPARTMENT	HIGHER EDUCATION	\$1,062,578,010.95
EXECUTIVE DEPARTMENT	INSURANCE, FIN INSTITUTIONS AND PROF REGISTRATION	\$2,009,267.01
EXECUTIVE DEPARTMENT	LABOR AND INDUSTRIAL RELATIONS	\$99,218,148.03
EXECUTIVE DEPARTMENT	MENTAL HEALTH	\$759,892,459.17
EXECUTIVE DEPARTMENT	NATURAL RESOURCES	\$234,500,082.04
EXECUTIVE DEPARTMENT	OFFICE OF ADMINISTRATION	\$369,596,080.22
EXECUTIVE DEPARTMENT	PUBLIC SAFETY	\$247,913,068.69
EXECUTIVE DEPARTMENT	REVENUE	\$373,724,618.76
EXECUTIVE DEPARTMENT	SOCIAL SERVICES	\$5,528,171,459.05
EXECUTIVE DEPARTMENT	TRANSPORTATION	\$1,922,237,354.88
EXECUTIVE OFFICES	OFFICE OF ATTORNEY GENERAL	\$6,333,182.25
EXECUTIVE OFFICES	OFFICE OF GOVERNOR	\$384,461.96
EXECUTIVE OFFICES	OFFICE OF LIEUTENANT GOVERNOR	\$337,730.61
EXECUTIVE OFFICES	OFFICE OF SECRETARY OF STATE	\$36,749,292.92
EXECUTIVE OFFICES	OFFICE OF STATE AUDITOR	\$690,801.45
EXECUTIVE OFFICES	OFFICE OF STATE TREASURER	\$863,810.19
JUDICIAL	JUDICIARY	\$44,966,740.94
LEGISLATIVE	LEGISLATURE	\$7,248,855.92

“As of July 11, 2007, the Commissioner of Administration shall establish the Missouri Accountability Portal as a free, internet-based tool allowing citizens to demand fiscal discipline and responsibility.

The Missouri Accountability Portal shall be an easy-to-search database of financial transactions related to the purchase of goods and services and the distribution of funds for state programs.

The Missouri Accountability Portal shall be updated each state business day and maintained as the primary source of information about the activity of Missouri’s government.”

Conclusion:

A free searchable budget transparency website will not cure all budget problems, but it would go a long way toward preventing waste and improving government performance.

Thomas Jefferson knew this long before the advent of the internet. In 1802 he wrote,

"We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them." [1]

Enacting a comprehensive searchable budget website and a budget "time out" period would also help to fulfill the expectation and spirit of our state's open government Constitutional requirements.

Based on the experiences of other states, implementing this reform would not be expensive, and cost should not dissuade elected officials from moving forward with it. Improving citizen access to information about public spending will not only help improve the budget decision making process of elected officials, but also help connect taxpayers with the spending decisions being made on their behalf. This reform is a win-win for everyone, except possibly for those who fear something embarrassing about public spending might be revealed.

The Montana Policy Institute is a 501(c)(3) policy research organization that equips Montana citizens and decision makers to better evaluate state public policy options from the perspective that policies based upon limited government, individual rights, and individual responsibility will result in the greatest common good.

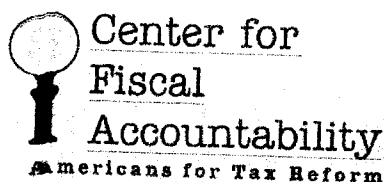
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[1] Letter to Treasury Secretary Albert Gallatin, 1802



Transparency. Accountability. Limited Government.

TX Comptroller Combs on the Benefits of Transparency Not Only For Taxpayers, But Also for Agencies

Thursday, December 4, 2008 1:05 PM

Texas State Comptroller Susan Combs held a press conference discussing her government transparency initiatives yesterday. Take a look at Open Book Texas, which not only provides access to her spending transparency portal, but also to Texas Transparency Check-Up with lots of useful tips and links on transparency, Texas Smart Buy, a new online ordering system for agencies, and the Single Set of Books Initiative, an effort to get to a uniform financial accounting system.

In her speech, Comptroller Combs made an excellent case (talking from her own experience) for the usefulness of transparency not only from a taxpayers perspective, but also from an agency point of view:

"But besides the public having access to information, we discovered our emphasis on transparency had internal benefits in that it made our own operations transparent to us. This provided access to such detailed, centralized and easily navigable information about our budget and expenditures, which allowed us to identify redundancies, inefficiencies and other areas for improvement with a clarity that was simply not possible before."

*As a result, we have already identified **\$8.7 million** of efficiencies and savings since I took office — and that number is still growing. Of these savings, **\$4.8 million** have already been realized, with an additional **\$3.8 million** expected in the coming year. Here are just a couple of examples:*

- **Toner:** A closer look at our contracts for toner cartridges revealed a simpler and smarter way to consolidate purchases through one contract, rather than through multiple vendors. Getting a discount for volume saved us more than **20 percent**, for a total of **\$73,000** on that one item.
- **P.O. Boxes:** The mail sorter machine used by our agency needed to be replaced after many years of use. Rather than spending around **\$328,000** on a new mail sorter, including maintenance, we decided to purchase additional P.O. Boxes for less than **\$10,000** and let the existing automated machines at the Postal Service do the sorting for us.

The bottom line is because of transparency, we were better able to see where and how we spend money and where and how to save it."

That should be a powerful argument to sway those skeptics in administrations that have yet to implement transparency.

Two cheers for Texas transparency!

Tags: Transparency TX | Comments (0)

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